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SUBJECT: NGO Leaders Discuss Barriers to the Growth of China's Civil Society

REFERENCE: A) Guangzhou 176; B) Guangzhou 175; C) 06 Guangzhou 32324; D) 06 Guangzhou 15376; E) 06 Guangzhou 14712; F) 06 Guangzhou 13381; G) 06 Guangzhou 11657

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1. (SBU) SUMMARY: More than 20 NGO leaders and researchers gathered in Shenzhen on March 18 to discuss the challenges facing China's emerging civil society. NGOs struggle to gain the confidence of both the Chinese government, which is suspicious of their ties to foreign institutions, and the Chinese public, which doubts their intentions. Domestic sources of funding are scarce, and NGOs sometimes fight amongst themselves to obtain it. The meeting was hosted by the Institute of Contemporary Observation (ICO), which recently celebrated its sixth anniversary and runs successful training and legal assistance programs for workers. END SUMMARY.

ICO Reviews Its Achievements  
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2. (SBU) In his opening remarks, ICO founder and executive director Liu Kaiming reviewed his NGOs accomplishments over the past six years. Founded in March 2001, ICO has positioned itself as a non-profit and non-government think-tank with a mission to "promote decent work and social justice." ICO's full-time staff has expanded from three to more than 20 today, and part-time staff and volunteers total more than 4,000. Based in Shenzhen, ICO works primarily in the Pearl River Delta but is also active throughout greater China.

3. (SBU) ICO activities have included the following:

-- published articles and books on corporate social responsibility, labor rights, and anti-discrimination.

-- trained more than 30,000 workers, 70% of whom are women from rural areas, on work safety and health.

-- helped more than 10,000 workers recover unpaid wages of more than RMB 6 million (USD 775,000) and set up worker complaint hotlines in 500 Guangdong factories, covering more than 200,000 workers.

-- conducted training sessions for domestic suppliers of multinational companies such as Nike, Timberland, Mizuno, Fuji-Xerox, and Burberry to help them meet international labor standards.

-- conducted anti-AIDS peer education programs in five factories in Shenzhen and became the first Chinese NGO to join the World Economic Forum's China Health Association Project.

#### Dealing with the Government

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14. (SBU) Liu commented that ICO is an independent non-government organization, and is neither controlled by nor affiliated with the Chinese government, but does on occasion cooperate with government agencies. Generally, low-ranking officials are more suspicious of ICO's work than high-ranking officials. Zeng Feiyang, Director of the Panyu Migrant Workers Documentation Center, an NGO that provides legal aid to migrant workers, commented that independent NGOs should maintain open lines of communications with the government to assure officials that they are not anti-government.

#### Working with Other Civil Society Organizations

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15. (SBU) Liu also spoke of ICO's relationship with unions, universities, and other NGOs. Even though ICO cooperates with local-level trade unions in project-specific cases, officials at the All-China Federation of Trade Unions (ACFTU) continue to regard ICO as "an enemy that trespasses in ACFTU's field." Cooperation between Chinese NGOs is sometimes strained because of competition for limited resources. Dozens of university researchers or students come to ICO every year for research or internship opportunities.

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Generally speaking, ICO has more interaction with foreign universities than with Chinese universities. Universities that sent interns to ICO include Colby University and Calvin College in the United States, Guangdong College of Business, and Changsha College of Civil Affairs.

#### A Dearth of Domestic Funding

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16. (SBU) Liu said most of ICO's funding comes from overseas, including foreign foundations (the Ford Foundation), foreign universities (the University of California, Berkeley), foreign NGOs (Oxfam), foreign governments and institutions (the Swedish, British, and Canadian embassies and the World Bank). Domestic sources of funding are hard to come by and generally come from universities (Tsinghua and Peking universities, in the case of ICO). These comments were echoed by Zeng Feiyang of the Panyu Migrant Workers Documentation Center, and Chen Zhiqiang of the Handa Rehabilitation and Welfare Association, an NGO dedicated to the welfare of leprosy patients. Professor Li Weiwei, of Shenzhen University's Human Rights Research Center, said China's tax laws do not exempt donations to NGOs and charities and suggested that civil society groups push for reform in this area to increase their domestic funding. Professor Wang Yunxiang of the Guangdong Foreign Studies University's School of Law pointed out that the Chinese government is suspicious of the motives of civil society groups because many are financed by foreign governments or institutions.

#### The Question of Legal Status

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17. (SBU) Professor Wang said the Chinese government is hesitant to grant independent civil society organizations official NGO legal status. As a result, a majority of Chinese NGOs, including ICO and the Panyu Migrant Workers' Documentation Center, register as commercial institutions with the Administration of Industry and Commerce, rather than as NGOs with the Civil Affairs Department. (Civil society groups have also told us that they are unwilling to register as NGOs because the process requires that they have an official government sponsor.) Wang said that most organizations that are legally registered as NGOs in China, such as the China

Women's Association and the China Disabled People's Federation, are not truly NGOs because they are funded and controlled by the government.

#### Overcoming Public Doubts

18. (SBU) Another impediment to the growth of China's civil society is the Chinese public's reflexive suspicion of NGOs. According to Professor Wang, telling the public that NGOs help people for free is like telling them that "pies fall from the sky." In addition, some people associate "non-government" with "anti-government" and distance themselves from NGOs. Wang added that Chinese research on civil society only emerged in the 1990s and is still quite backward. Chinese researchers typically use western models in studying civil society, which do not always fit China's situation.

#### Comment: A Long Way to Go

19. (SBU) Operating an NGO in China remains a daunting task, with legal, funding, and public relations challenges. South China governments continue to keep a watchful eye on emerging civil society organizations and have thus far largely restricted their activities to labor and health assistance -- fulfilling public services needs that the government is not able to provide. Though most NGOs are pragmatic and content to stay out of politics, they find it difficult to convince the government and the public that they are essentially benevolent and patriotic organizations. With its rapid growth and expanding reach, ICO is proof that a Chinese NGO model -- with help from international institutions -- is emerging.

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